



RECEIVED

2014 SEP -3 PM 3: 01

IDAHO PUBLIC
UTILITIES COMMISSION

LISA D. NORDSTROM
Lead Counsel
lnordstrom@idahopower.com

September 3, 2014

VIA HAND DELIVERY

Jean D. Jewell, Secretary
Idaho Public Utilities Commission
472 West Washington Street
Boise, Idaho 83702

Re: Case No. IPC-E-14-14
Extension of Accumulated Deferred Investment Tax Credits/Revenue
Sharing Mechanism – Idaho Power Company's Motion for Approval of
Stipulation

Dear Ms. Jewell:

Enclosed for filing please find an original and seven (7) copies of Idaho Power
Company's Motion for Approval of Stipulation in the above matter.

Very truly yours,

Lisa D. Nordstrom

LDN:evp
Enclosures

LISA D. NORDSTROM (ISB No. 5733)
Idaho Power Company
1221 West Idaho Street (83702)
P.O. Box 70
Boise, Idaho 83707
Telephone: (208) 388-5825
Facsimile: (208) 388-6936
lnordstrom@idahopower.com

Attorney for Idaho Power Company

RECEIVED
2014 SEP -3 PM 3:01
IDAHO PUBLIC
UTILITIES COMMISSION

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER)	
COMPANY'S APPLICATION TO)	CASE NO. IPC-E-14-14.
EXTEND ITS ACCUMULATED)	
DEFERRED INVESTMENT TAX)	MOTION FOR APPROVAL OF
CREDITS/REVENUE SHARING)	STIPULATION
MECHANISM BEYOND 2014)	
)	

COMES NOW, Idaho Power Company ("Idaho Power" or "Company") and hereby moves the Idaho Public Utilities Commission ("Commission") for an order accepting the settlement stipulation ("2014 Stipulation") filed herewith. This Motion is based on the following:

1. On May 30, 2014, Idaho Power filed an application requesting the Commission issue an order extending the terms set forth in the settlement stipulation approved by Order No. 32424 ("2011 Stipulation") under which Idaho Power is authorized to either: (1) amortize additional Accumulated Deferred Investment Tax Credits ("ADITC"), or (2) share a portion of revenues with its Idaho customers. Instead of allowing the terms of the 2011 Stipulation to expire at the end of 2014, Idaho Power

requested that the Commission allow the terms of the 2011 Stipulation to remain in effect until the Company has accelerated the amortization of a total of \$45 million in ADITC or until the terms of the 2011 Stipulation are otherwise modified or terminated by a Commission order.

2. On June 12, 2014, the Commission issued a Notice of Application and Notice of Intervention Deadline in Order No. 33057. Pursuant to the Notice of Intervention Deadline, the Industrial Customers of Idaho Power ("ICIP") and the Irrigation Pumpers Association, Inc., ("IIPA") timely filed Petitions to Intervene and the Commission granted those petitions in Order Nos. 33066 and 33069.

3. Following the discussions held at the August 11, 2014, workshop/settlement conference the Company, Commission Staff, ICIP, and IIPA ("Parties") have agreed to resolve and settle all of the issues in the case. A copy of the signed 2014 Stipulation evidencing that settlement is enclosed as Attachment 1.

4. Revenue Sharing. As described in Section 5 of the 2014 Stipulation, if the Company's actual Idaho jurisdictional annual Return on Equity ("ROE") exceeds 10 percent during the 2015-2019 period, all amounts in excess of a 10 percent ROE and up to and including a 10.5 percent ROE would be shared between the Company's Idaho customers and the Company on a 75 percent and 25 percent basis, respectively. The customers' share of the Company's Idaho jurisdictional earnings between a 10 percent ROE and up through a 10.5 percent ROE will be provided as a rate reduction to become effective at the time of the subsequent year's power cost adjustment. If the Company's actual earned, year-end ROE for the Idaho jurisdiction in any year between 2015-2019 exceeds 10.5 percent, all amounts in excess of the 10.5 percent ROE will be shared 50

percent with Idaho customers as a rate reduction to become effective at the time of the subsequent year's power cost adjustment, 25 percent with Idaho customers in the form of an offset to amounts in the Company's pension balancing account to reduce the amount that would otherwise need to be collected in rates, and 25 percent with the Company.

5. ADITC Amortization. As further detailed in Section 6 of the 2014 Stipulation, the Parties agree that the Company may extend its ability to amortize a total of \$45 million of additional ADITC through December 31, 2019, to allow the Company to achieve a maximum actual ROE of 9.5 percent for the Idaho jurisdiction. Idaho Power may use up to \$25 million of additional amortization of ADITC in each of 2015-2019 so long as the total, cumulative amount of ADITC used during the five-year period does not exceed \$45 million. In the event Idaho Power amortizes in 2014 a portion of the \$45 million previously authorized by Order No. 32424, the amount of ADITC available for amortization in the 2015-2019 period will be reduced by a corresponding amount. Once the Company has fully amortized the \$45 million of ADITC, revenue sharing as provided in Section 5 of the 2014 Stipulation will cease during the remainder of the 2015-2019 period.

6. In the event the Commission issues an Order authorizing a change to the Company's allowed ROE as part of a general rate case proceeding in which the Company seeks a rate change to become effective prior to January 1, 2020, the ROE thresholds will be automatically adjusted proportionately on a prospective basis from the date that the newly authorized rates become effective as set forth in Section 6.3 of the 2014 Stipulation.

7. Idaho Power agrees to continue to make its year-end earnings results available for audit by the Commission Staff following the filing of Idaho Power's and IDACORP, Inc.'s, annual report on Form 10-K with the U.S. Securities and Exchange Commission, which is required to be filed within 60 days after the end of each fiscal year. The Commission Staff agrees to audit Idaho Power's earnings and prepare a write-up of its findings for review by the Parties during the pendency of the annual power cost adjustment docket.

8. The Parties recommend that the Commission grant this Motion and approve the 2014 Stipulation in its entirety, without material change or condition, pursuant to RP 274. As noted in Section 1 of the Stipulation, all of the Parties agree that the 2014 Stipulation is in the public interest and that all of its terms and conditions are fair, just, and reasonable.

9. The Parties respectfully request that the Commission issue an order on or before December 31, 2014, to facilitate the timely recording of the Company's 2014 earnings for financial reporting purposes.

NOW, THEREFORE, the Parties respectfully request that the Commission issue a final order granting this Motion and accepting Attachment 1, the 2014 Stipulation, in its entirety, without material change or condition.

Respectfully submitted this 3rd day of September 2014.



LISA D. NORDSTROM
Attorney for Idaho Power Company

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 3rd day of September 2014 I served a true and correct copy of the within and foregoing MOTION FOR APPROVAL OF STIPULATION upon the following named parties by the method indicated below, and addressed to the following:

Commission Staff

Karl T. Klein
Deputy Attorney General
Idaho Public Utilities Commission
472 West Washington (83702)
P.O. Box 83720
Boise, Idaho 83720-0074

☒ Hand Delivered
☐ U.S. Mail
☐ Overnight Mail
☐ FAX
☒ Email karl.klein@puc.idaho.gov

Industrial Customers of Idaho Power

Peter J. Richardson
RICHARDSON ADAMS, PLLC
515 North 27th Street (83702)
P.O. Box 7218
Boise, Idaho 83707

☐ Hand Delivered
☒ U.S. Mail
☐ Overnight Mail
☐ FAX
☒ Email peter@richardsonadams.com

Dr. Don Reading
6070 Hill Road
Boise, Idaho 83703

☐ Hand Delivered
☒ U.S. Mail
☐ Overnight Mail
☐ FAX
☒ Email dreading@mindspring.com

Idaho Irrigation Pumpers Association

Eric L. Olsen
RACINE, OLSON, NYE, BUDGE, &
BAILEY, CHARTERED
201 East Center
P.O. Box 1391
Pocatello, Idaho 83204-1391

☐ Hand Delivered
☒ U.S. Mail
☐ Overnight Mail
☐ FAX
☒ Email elo@racinelaw.net

Anthony Yankel
29814 Lake Road
Bay Village, Ohio 44140

☐ Hand Delivered
☒ U.S. Mail
☐ Overnight Mail
☐ FAX
☒ Email tony@yankel.net


Elizabeth Paynter, Legal Assistant

BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-14-14

IDAHO POWER COMPANY

ATTACHMENT 1

LISA D. NORDSTROM (ISB No. 5733)
Idaho Power Company
1221 West Idaho Street (83702)
P.O. Box 70
Boise, Idaho 83707
Telephone: (208) 388-5825
Facsimile: (208) 388-6936
lnordstrom@idahopower.com

Attorney for Idaho Power Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER)	
COMPANY'S APPLICATION TO)	CASE NO. IPC-E-14-14
EXTEND ITS ACCUMULATED)	
DEFERRED INVESTMENT TAX)	STIPULATION
CREDITS/REVENUE SHARING)	
MECHANISM BEYOND 2014)	
)	

This stipulation ("2014 Stipulation") is entered into by and among Idaho Power Company ("Idaho Power" or "Company"), the Staff of the Idaho Public Utilities Commission ("Staff"), the Industrial Customers of Idaho Power ("ICIP"), and the Irrigation Pumpers Association, Inc. ("IIPA"). These entities are collectively referred to as the "Parties," and individually as "Party."

I. INTRODUCTION

1. The Parties agree that this 2014 Stipulation represents a fair, just, and reasonable compromise of contested issues and that acceptance of the 2014 Stipulation by the Idaho Public Utilities Commission ("Commission") would be in the public interest.

Therefore, the Parties recommend that the Commission approve the 2014 Stipulation and all of its terms and conditions without material change or condition.

II. BACKGROUND

2. On May 30, 2014, Idaho Power filed an application requesting the Commission issue an order extending the terms set forth in the settlement stipulation approved by Order No. 32424 ("2011 Stipulation") under which Idaho Power is authorized to either: (1) amortize additional Accumulated Deferred Investment Tax Credits ("ADITC"), or (2) share a portion of revenues with its Idaho customers. Instead of allowing the terms of the 2011 Stipulation to expire at the end of 2014, Idaho Power requested that the Commission allow the terms of the 2011 Stipulation to remain in effect until the Company has accelerated the amortization of a total of \$45 million in ADITC or until the terms of the 2011 Stipulation are otherwise modified or terminated by a Commission order.

3. On June 12, 2014, the Commission issued a Notice of Application and Notice of Intervention Deadline in Order No. 33057. Pursuant to the Notice of Intervention Deadline, ICIP, and IIPA timely filed Petitions to Intervene and the Commission granted those petitions in Order Nos. 33066 and 33069.

4. Following the discussions held at the August 11, 2014, workshop/settlement conference, the Parties agreed to the following settlement agreement in this matter.

III. TERMS OF THE 2014 STIPULATION

5. Revenue Sharing.

5.1. If the Company's actual year-end, earned Return on Equity ("ROE") for the Idaho jurisdiction in any year during the 2015-2019 period exceeds 10 percent, all amounts in excess of a 10 percent ROE and up to and including a 10.5 percent ROE will

be shared between the Company's Idaho customers and the Company on a 75 percent and 25 percent basis, respectively. The customers' share of the Company's Idaho jurisdictional earnings between a 10 percent ROE and up through a 10.5 percent ROE will be provided as a rate reduction to become effective at the time of the subsequent year's power cost adjustment. If the Company's actual earned, year-end ROE for the Idaho jurisdiction in any year between 2015-2019 exceeds 10.5 percent, all amounts in excess of the 10.5 percent ROE will be shared 50 percent with Idaho customers as a rate reduction to become effective at the time of the subsequent year's power cost adjustment, 25 percent with Idaho customers in the form of an offset to amounts in the Company's pension balancing account to reduce the amount that would otherwise need to be collected in rates, and 25 percent with the Company.

5.2. For the 2015-2019 period, there can be no additional ADITC amortization as provided in Section 6 if the Company has shared earnings pursuant to Section 5.1.

6. Accounting: ADITC Amortization.

6.1. If Idaho Power's actual Idaho jurisdictional year-end, earned ROE falls below 9.5 percent for any year between 2015-2019, the Company will be permitted to amortize an additional amount of state and federal ADITC by debiting Account 255 (ADITC) and crediting Account 420 (investment tax credits, a non-utility income account), in an amount, up to \$45 million over the above-referenced 2015-2019 period, that would allow the Company to achieve a maximum actual ROE of 9.5 percent for the Idaho jurisdiction. Idaho Power may use up to \$25 million of additional amortization of ADITC in each of 2015-2019 so long as the total, cumulative amount of ADITC used during the five-year

period does not exceed \$45 million. In the event Idaho Power amortizes in 2014 a portion of the \$45 million previously authorized by Order No. 32424, the amount of ADITC available for amortization in the 2015-2019 period will be reduced by a corresponding amount. Once the Company has fully amortized the \$45 million of ADITC, revenue sharing as provided in Section 5.1 will cease during the remainder of the 2015-2019 period.

6.2. Except for the permitted use of additional ADITC described herein, for the years 2015-2019 Idaho Power will continue to amortize ADITC using the same method employed immediately prior to the issuance of a Commission Order in this matter using the Company's actual Idaho jurisdictional earnings results.

6.3. In the event the Commission issues an Order authorizing a change to the Company's allowed ROE as part of a general rate case proceeding in which the Company seeks a rate change to become effective prior to January 1, 2020, the ROE thresholds set forth herein will be adjusted on a prospective basis from the date that the newly authorized rates become effective.¹ The ROE thresholds will be automatically adjusted as follows:

(a) The Idaho jurisdictional ROE level under which the Company will be permitted to amortize an additional amount of state and federal ADITC (currently set at 9.5 percent) will be set at 95 percent of the newly authorized ROE;

(b) The Idaho jurisdictional ROE level (currently set at 10 percent) above which the Company will begin to share amounts with customers on a 75 percent

¹ In the event that the effective date of a newly established ROE occurs in a month other than January, the ROE thresholds applied for the calendar year in which the ROE change occurred will be prorated based on the number of months that each respective ROE was effective. For example, if the Commission authorizes a change in ROE to become effective on June 1, the Company would adjust the annual ROE thresholds applied in that calendar year to levels equal to 5/12 of the prior annual ROE thresholds and 7/12 of the newly established annual ROE thresholds.

basis up to the ROE level established in subsection 6.3(c) will be set equal to the newly authorized ROE; and

(c) The Idaho jurisdictional ROE level (currently set at 10.5 percent) above which the Company will provide an offset to the power cost adjustment on a 50 percent basis and to the pension balancing account on a 25 percent basis will be set at 105 percent of the newly authorized ROE.

6.4 Idaho Power agrees to continue to make its year-end earnings results available for audit by the Commission Staff following the filing of Idaho Power's and IDACORP, Inc.'s, annual report on Form 10-K with the U.S. Securities and Exchange Commission, which is required to be filed within 60 days after the end of each fiscal year. The Commission Staff agrees to audit Idaho Power's earnings and prepare a write-up of its findings for review by the Parties during the pendency of the annual power cost adjustment docket.

6.5 Except as otherwise provided for herein or ordered by the Commission, in no event shall any additional amounts of amortized ADITC be reflected in the utility operating results of the Company for ratemaking purposes, financial statement purposes, and for purposes of the Company's regulated books of account.

IV. ADDITIONAL PROVISIONS

7. The Parties agree that the 2014 Stipulation represents a compromise of the positions of the Parties. Therefore, other than any testimony filed in support of the approval of the 2014 Stipulation, and except to the extent necessary for a Party to explain before the Commission its own statements and positions with respect to the 2014 Stipulation, all statements made and positions taken in negotiations relating to this

Stipulation shall be confidential and will not be admissible in evidence in this or any other proceeding.

8. The Parties submit this 2014 Stipulation to the Commission and recommend approval in its entirety. Parties shall support the 2014 Stipulation before the Commission, and no Party shall appeal a Commission order approving the 2014 Stipulation or an issue resolved by the 2014 Stipulation. If the 2014 Stipulation is challenged by any person not a party to the Stipulation, the Parties to the 2014 Stipulation reserve the right to file testimony, cross-examine witnesses, and put on such case as they deem appropriate to respond fully to the issues presented, including the right to raise issues that are incorporated in the settlements embodied in the 2014 Stipulation. Notwithstanding this reservation of rights, the Parties to this Stipulation agree that they will continue to support the Commission's adoption of the terms of the 2014 Stipulation.

9. If the Commission rejects any part or all of the 2014 Stipulation, or imposes any additional material conditions on approval of the 2014 Stipulation, each Party reserves the right, upon written notice to the Commission and the other Parties to this proceeding, within 14 days of the date of such action by the Commission, to withdraw from the 2014 Stipulation. In such case, no Party shall be bound or prejudiced by the terms of the 2014 Stipulation, and each Party shall be entitled to seek reconsideration of the Commission's Order, file testimony as it chooses, cross-examine witnesses, and do all other things necessary to put on such case as it deems appropriate.

10. No Party shall be bound, benefited, or prejudiced by any position asserted in the negotiation of this Stipulation, except to the extent expressly stated herein, nor shall the 2014 Stipulation be construed as a waiver of the rights of any Party unless such rights are

expressly waived herein. Execution of the 2014 Stipulation shall not be deemed to constitute an acknowledgment by any Party of the validity or invalidity of any particular method, theory, or principle of regulation or cost recovery. No Party shall be deemed to have agreed that any method, theory, or principle of regulation or cost recovery employed in arriving at the 2014 Stipulation is appropriate for resolving any issues in any other proceeding in the future. No findings of fact or conclusions of law other than those stated herein shall be deemed to be implicit in the 2014 Stipulation.

11. The obligations of the Parties under this Stipulation are subject to the Commission's approval of the 2014 Stipulation in accordance with its terms and conditions and upon such approval being upheld on appeal by a court of competent jurisdiction.

12. This Stipulation may be executed in counterparts and each signed counterpart shall constitute an original document.

DATED this 28th day of August 2014.

Idaho Power Company

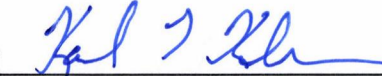
Idaho Public Utilities Commission Staff

By



Lisa D. Nordstrom
Attorney for Idaho Power Company

By



Karl T. Klein
Attorney for Idaho Public Utilities
Commission Staff

Industrial Customers of Idaho Power

Idaho Irrigation Pumpers Association, Inc.

By

Peter J. Richardson
Attorney for the Industrial Customers of
Idaho Power

By

Eric L. Olsen
Attorney for the Idaho Irrigation
Pumpers Association, Inc.

expressly waived herein. Execution of the 2014 Stipulation shall not be deemed to constitute an acknowledgment by any Party of the validity or invalidity of any particular method, theory, or principle of regulation or cost recovery. No Party shall be deemed to have agreed that any method, theory, or principle of regulation or cost recovery employed in arriving at the 2014 Stipulation is appropriate for resolving any issues in any other proceeding in the future. No findings of fact or conclusions of law other than those stated herein shall be deemed to be implicit in the 2014 Stipulation.

11. The obligations of the Parties under this Stipulation are subject to the Commission's approval of the 2014 Stipulation in accordance with its terms and conditions and upon such approval being upheld on appeal by a court of competent jurisdiction.

12. This Stipulation may be executed in counterparts and each signed counterpart shall constitute an original document.

DATED this 2nd day of September 2014.

Idaho Power Company

Idaho Public Utilities Commission Staff

By _____
Lisa D. Nordstrom
Attorney for Idaho Power Company

By _____
Karl T. Klein
Attorney for Idaho Public Utilities
Commission Staff

Industrial Customers of Idaho Power

Idaho Irrigation Pumpers Association, Inc.

By Peter J. Richardson
Peter J. Richardson
Attorney for the Industrial Customers of
Idaho Power

By _____
Eric L. Olsen
Attorney for the Idaho Irrigation
Pumpers Association, Inc.

expressly waived herein. Execution of the 2014 Stipulation shall not be deemed to constitute an acknowledgment by any Party of the validity or invalidity of any particular method, theory, or principle of regulation or cost recovery. No Party shall be deemed to have agreed that any method, theory, or principle of regulation or cost recovery employed in arriving at the 2014 Stipulation is appropriate for resolving any issues in any other proceeding in the future. No findings of fact or conclusions of law other than those stated herein shall be deemed to be implicit in the 2014 Stipulation.

11. The obligations of the Parties under this Stipulation are subject to the Commission's approval of the 2014 Stipulation in accordance with its terms and conditions and upon such approval being upheld on appeal by a court of competent jurisdiction.

12. This Stipulation may be executed in counterparts and each signed counterpart shall constitute an original document.

DATED this 28th day of August 2014.

Idaho Power Company

Idaho Public Utilities Commission Staff

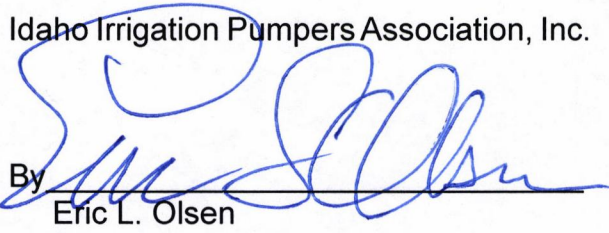
By _____
Lisa D. Nordstrom
Attorney for Idaho Power Company

By _____
Karl T. Klein
Attorney for Idaho Public Utilities
Commission Staff

Industrial Customers of Idaho Power

Idaho Irrigation Pumpers Association, Inc.

By _____
Peter J. Richardson
Attorney for the Industrial Customers of
Idaho Power

By  _____
Eric L. Olsen
Attorney for the Idaho Irrigation
Pumpers Association, Inc.